LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, APRIL 9, 2002,** upon the application of **PETROQUEST ENERGY, L.L.C.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **South Coast 3 SW Sand, Reservoirs A and B and Caillouet Sand, Reservoir A,** in the Valentine Field, Lafourche Parish, Louisiana.

AS TO THE SOUTH COAST 3 SW SAND, RESERVOIR B

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated SC3 SW RB SUB.
- 2. To force pool and integrate all separately owned tracts, mineral lease and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate the PetroQuest Energy Arcement No. 1 Well as the unit well for the proposed unit.
- 4. To designate PetroQuest Energy, L.L.C. as the unit operator for the proposed unit.
- 5. To provide that any future wells drilled to the SC 3 SW Sand outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the commissioner of Conservation.
- 7. To consider such other matters as may be pertinent.

AS TO THE SOUTH COAST 3 SW, RESERVOIR A AND THE CAILLOUTE SAND, RESERVOIR A

1. By separate application, PetroQuest Energy, L.L.C. has filed for the administrative termination, pursuant to Statewide Order No. 29-L-2, of the SC3 SW RA SUA, created by Office of Conservation Order No. 280-13, effective July 18, 1984 and the CAILLOUET RA SUA, created by Office of Conservation Order No. 280-Z, effective January 7, 1981; in the event those applications are not approved administratively, then the applicant will also present evidence to support its request to terminate or dissolve the aforesaid units.

The South Coast 3 SW Sand, Reservoir B, in the Valentine Field, Lafourche Parish, Louisiana, was previously defined in Office of Conservation Order No. 280-6, effective October 1, 1971, and is hereby further defined as that gas and condensate bearing sand encountered between the depths of 10,906' and 11,020' (ELM) in the PetroQuest Energy - Arcement No. 1 Well, located in Section 26, Township 17 South, Range 19 East.

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VALENTINE FIELD 02-185 thru 02-187

The South Coast 3 SW Sand, Reservoir A, in the Valentine Field, Lafourche Parish, Louisiana, was previously defined in Office of Conservation Order No. 280-13, effective July 18, 1984.

The Caillouet Sand, Reservoir A, in the Valentine Field, Lafourche Parish, Louisiana, was previously defined in Office of Conservation Order No. 280-Z, effective January 7, 1981.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana or may be found at the following site:

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

FELIX J. BOUDREAUX COMMISSIONER OF CONSERVATION

Baton Rouge, La 2/22/02;2/27/02 L dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION - ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.